



ANNUAL STATEMENT
For the Year Ending December 31, 2005
OF THE CONDITION AND AFFAIRS OF THE
TOTAL HEALTH CARE, INC.

NAIC Group Code	1238 (Current Period)	1238 (Prior Period)	NAIC Company Code	95644	Employer's ID Number	38-2018957
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[X] No[] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated/Organized	07/01/1973		Commenced Business	05/01/1976		
Statutory Home Office	3011 W. GRAND BLVD. SUITE 1600 (Street and Number)		DETROIT, MI 48202 (City, or Town, State and Zip Code)			
Main Administrative Office	3011 W. GRAND BLVD. SUITE 1600 (Street and Number)					
	DETROIT, MI 48202 (City or Town, State and Zip Code)		(313)871-2000 (Area Code) (Telephone Number)			
Mail Address	3011 W. GRAND BLVD. SUITE 1600 (Street and Number or P.O. Box)		DETROIT, MI 48202 (City, or Town, State and Zip Code)			
Primary Location of Books and Records	3011 W. GRAND BLVD. SUITE 1600 (Street and Number)					
	DETROIT, MI 48202 (City, or Town, State and Zip Code)		(313)871-2000 (Area Code) (Telephone Number)			
Internet Website Address	TOTALHEALTHCAREONLINE.COM					
Statutory Statement Contact	BRIAN EFRUSY, CFO (Name)		(313)871-7879 (Area Code)(Telephone Number)(Extension)			
	BEFRUSY@THC-ONLINE.COM (E-Mail Address)		(313)871-7406 (Fax Number)			
Policyowner Relations Contact	3011 W. GRAND BLVD., STE. 1600 (Street and Number)					
	DETROIT, MI 48202 (City, or Town, State and Zip Code)		(313)871-2000 (Area Code) (Telephone Number)(Extension)			

OFFICERS

Name	Title
LYLE EDWARD ALGATE	EXECUTIVE DIRECTOR
GERTRUDE HELEN MINKIEWICZ	SECRETARY
MARY JANE CLAY	TREASURER
ROBYN JAMES ARRINGTON JR.,M.D.	MEDICAL DIRECTOR
JEANETTE ABBOTT	CO-TREASURER

OTHERS

DIRECTORS OR TRUSTEES

FRANCES LYNCH	DOUGLAS PAUL BAKER
RUBY OCTAVIA COLE	KATHLEEN THERESA KATHER
MARY JANE CLAY	GERTRUDE HELEN MINKIEWICZ
JEANETTE ABBOTT	

State of Michigan
County of WAYNE ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) LYLE EDWARD ALGATE (Printed Name) EXECUTIVE DIRECTOR (Title)	(Signature) GERTRUDE HELEN MINKIEWICZ (Printed Name) SECRETARY (Title)	(Signature) MARY JANE CLAY (Printed Name) TREASURER (Title)
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Subscribed and sworn to before me this day of , 2006	a. Is this an original filing? b. If no, 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes[X] No[]
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(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)	1,000,000		1,000,000	1,000,000
2.	Stocks (Schedule D)				
2.1	Preferred stocks				
2.2	Common Stocks	8,313,405	953,007	7,360,398	4,403,604
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$..... encumbrances)				
4.2	Properties held for the production of income (less \$..... encumbrances)				
4.3	Properties held for sale (less \$..... encumbrances)				
5.	Cash (\$.....3,021,014 Schedule E Part 1), cash equivalents (\$..... Schedule E Part 2) and short-term investments (\$.....13,581,723 Schedule DA)	16,602,737		16,602,737	19,379,375
6.	Contract loans (including \$..... premium notes)				
7.	Other invested assets (Schedule BA)				
8.	Receivables for securities				
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	25,916,142	953,007	24,963,135	24,782,979
11.	Title plants less \$..... charged off (for Title insurers only)				
12.	Investment income due and accrued	51,017		51,017	83,546
13.	Premiums and considerations				
13.1	Uncollected premiums and agents' balances in the course of collection	936,484	417,953	518,531	2,790,325
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$..... earned but unbilled premiums)				
13.3	Accrued retrospective premiums				
14.	Reinsurance:				
14.1	Amounts recoverable from reinsurers				70,938
14.2	Funds held by or deposited with reinsured companies				
14.3	Other amounts receivable under reinsurance contracts				
15.	Amounts receivable relating to uninsured plans				
16.1	Current federal and foreign income tax recoverable and interest thereon				
16.2	Net deferred tax asset				
17.	Guaranty funds receivable or on deposit				
18.	Electronic data processing equipment and software				
19.	Furniture and equipment, including health care delivery assets (\$.....)				
20.	Net adjustment in assets and liabilities due to foreign exchange rates				
21.	Receivables from parent, subsidiaries and affiliates				
22.	Health care (\$.....2,628,784) and other amounts receivable	2,636,035		2,636,035	3,104,291
23.	Aggregate write-ins for other than invested assets	676,459	676,459		
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	30,216,137	2,047,419	28,168,718	30,832,079
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	Total (Lines 24 and 25)	30,216,137	2,047,419	28,168,718	30,832,079
DETAILS OF WRITE-INS					
0901	.....			
0902	.....			
0903	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301.	Intangible Assets	676,459	676,459		
2302	.....			
2303	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	676,459	676,459		

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$..... reinsurance ceded)	11,024,378		11,024,378	16,046,938
2.	Accrued medical incentive pool and bonus amounts	292,105		292,105	332,932
3.	Unpaid claims adjustment expenses	172,670		172,670	250,875
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	4,108		4,108	357,543
9.	General expenses due or accrued				
10.1	Current federal and foreign income tax payable and interest thereon (including \$..... on realized capital gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittance and items not allocated				
14.	Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current)				
15.	Amounts due to parent, subsidiaries and affiliates				
16.	Payable for securities				
17.	Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured accident and health plans				
21.	Aggregate write-ins for other liabilities (including \$..... current)	2,509,941		2,509,941	305,050
22.	Total liabilities (Lines 1 to 21)	14,003,202		14,003,202	17,293,338
23.	Aggregate write-ins for special surplus funds	X X X	X X X		
24.	Common capital stock	X X X	X X X		
25.	Preferred capital stock	X X X	X X X		
26.	Gross paid in and contributed surplus	X X X	X X X		
27.	Surplus notes	X X X	X X X		
28.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
29.	Unassigned funds (surplus)	X X X	X X X	14,165,516	13,538,741
30.	Less treasury stock, at cost:				
30.1	..... shares common (value included in Line 24 \$.....)	X X X	X X X		
30.2	..... shares preferred (value included in Line 25 \$.....)	X X X	X X X		
31.	Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	14,165,516	13,538,741
32.	Total Liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	28,168,718	30,832,079
DETAILS OF WRITE-INS					
2101.	Accrued Other	2,509,941		2,509,941	305,050
2102	.....			
2103	.....			
2198.	Summary of remaining write-ins for Line 21 from overflow page				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)	2,509,941		2,509,941	305,050
2301	.....	X X X	X X X		
2302	.....	X X X	X X X		
2303	.....	X X X	X X X		
2398.	Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801	.....	X X X	X X X		
2802	.....	X X X	X X X		
2803	.....	X X X	X X X		
2898.	Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899.	TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	736,201	722,027
2.	Net premium income (including \$..... non-health premium income)	X X X	139,744,577	133,878,917
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$..... medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X	(8,520,696)	(7,333,522)
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	Total revenues (Lines 2 to 7)	X X X	131,223,881	126,545,395
Hospital and Medical:				
9.	Hospital/medical benefits		78,375,962	77,729,466
10.	Other professional services		4,776,157	3,482,205
11.	Outside referrals			
12.	Emergency room and out-of-area		9,797,731	8,925,149
13.	Prescription drugs		16,270,160	15,547,450
14.	Aggregate write-ins for other hospital and medical		3,737,198	1,215,933
15.	Incentive pool, withhold adjustments and bonus amounts		408,718	50,422
16.	Subtotal (Lines 9 to 15)		113,365,926	106,950,625
Less:				
17.	Net reinsurance recoveries		262,830	505,557
18.	Total hospital and medical (Lines 16 minus 17)		113,103,096	106,445,068
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$..... cost containment expenses		401,676	364,346
21.	General administrative expenses		19,961,583	17,775,959
22.	Increase in reserves for life and accident and health contracts (including \$..... increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)		133,466,355	124,585,373
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(2,242,474)	1,960,022
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		738,859	364,019
26.	Net realized capital gains (losses) less capital gains tax of \$.....			
27.	Net investment gains (losses) (Lines 25 plus 26)		738,859	364,019
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)]			
29.	Aggregate write-ins for other income or expenses		81,217	116,073
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(1,422,398)	2,440,114
31.	Federal and foreign income taxes incurred	X X X		
32.	Net income (loss) (Lines 30 minus 31)	X X X	(1,422,398)	2,440,114
DETAILS OF WRITE-INS				
0601.	QUALITY ASSESSMENT ASSURANCE FEE	X X X	(8,520,696)	(7,333,522)
0602	.....	X X X		
0603	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	(8,520,696)	(7,333,522)
0701.	.....	X X X		
0702	.....	X X X		
0703	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	Other Expense		3,737,198	1,215,933
1402	.....		
1403	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		3,737,198	1,215,933
2901.	MISCELLANEOUS REVENUES		16,867	
2902.	SALE OF MEMBERSHIP		64,350	116,073
2903	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)		81,217	116,073

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	13,538,741	13,600,417
GAINS AND LOSSES TO CAPITAL & SURPLUS			
34.	Net income or (loss) from Line 32	(1,422,398)	2,440,114
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....	898,144	(1,640,063)
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	1,151,029	(861,727)
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	626,775	(61,676)
49.	Capital and surplus end of reporting year (Line 33 plus 48)	14,165,516	13,538,741
DETAILS OF WRITE-INS			
4701	.....	
4702	.....	
4703	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	142,065,979	132,412,994
2.	Net investment income	771,388	323,348
3.	Miscellaneous income	(7,911,724)	(9,465,295)
4.	Total (Lines 1 through 3)	134,925,643	123,271,047
5.	Benefit and loss related payments	118,095,545	113,041,535
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	20,441,464	18,216,427
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) \$..... net of tax on capital gains (losses)		
10.	Total (Lines 5 through 9)	138,537,009	131,257,962
11.	Net cash from operations (Line 4 minus 10)	(3,611,366)	(7,986,915)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	7,100,000	
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)	7,100,000	
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	7,100,000	
13.2	Stocks	1,500,000	
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	Total investments acquired (Lines 13.1 to 13.6)	8,600,000	
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(1,500,000)	
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	2,334,728	(2,892,786)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	2,334,728	(2,892,786)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(2,776,638)	(10,879,701)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	19,379,375	30,259,076
19.2	End of year (Line 18 plus Line 19.1)	16,602,737	19,379,375

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001		
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS
(Gain and Loss Exhibit)

		1	2	3	4	5	6	7	8	9	10	11	12	13
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employee Health Benefit Plan	Title XVIII- Medicare	Title XIX- Medicaid	Stop Loss	Disability Income	Long- term Care	Other Health	Other Non-Health
1.	Net premium income	139,744,577	20,300,210				831,442		118,612,925					
2.	Change in unearned premium reserves and reserve for rate credit ..													
3.	Fee-for-service (net of \$..... medical expenses)													X X X
4.	Risk revenue													X X X
5.	Aggregate write-ins for other health care related revenues	(8,520,696)	(1,333,018)				(100,055)		(7,087,623)					X X X
6.	Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7.	Total revenues (Lines 1 to 6)	131,223,881	18,967,192				731,387		111,525,302					
8.	Hospital/medical benefits	78,375,962	11,585,398				535,053		66,255,511					X X X
9.	Other professional services	4,776,157	432,796				188,550		4,154,811					X X X
10.	Outside referrals													X X X
11.	Emergency room and out-of-area	9,797,731	1,219,380				98,204		8,480,147					X X X
12.	Prescription drugs	16,270,160	2,113,288				291,854		13,865,018					X X X
13.	Aggregate write-ins for other hospital and medical	3,737,198	376,245				28,241		3,332,712					X X X
14.	Incentive pool, withhold adjustments and bonus amounts	408,718	54,948				4,124		349,646					X X X
15.	Subtotal (Lines 8 to 14)	113,365,926	15,782,055				1,146,026		96,437,845					X X X
16.	Net reinsurance recoveries	262,830	123,418				10,183		129,229					X X X
17.	Total hospital and medical (Lines 15 minus 16)	113,103,096	15,658,637				1,135,843		96,308,616					X X X
18.	Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19.	Claims adjustment expenses including \$..... cost containment expenses	401,676	70,544				5,295		325,837					
20.	General administrative expenses	19,961,583	3,494,075				262,262		16,205,246					
21.	Increase in reserves for accident and health contracts													X X X
22.	Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23.	Total underwriting deductions (Lines 17 to 22)	133,466,355	19,223,256				1,403,400		112,839,699					
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	(2,242,474)	(256,064)				(672,013)		(1,314,397)					
DETAILS OF WRITE-INS														
0501.	QUALITY ASSESSMENT ASSURANCE FEE	(8,520,696)	(1,333,018)				(100,055)		(7,087,623)					X X X
0502	.....													X X X
0503	.....													X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page													X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	(8,520,696)	(1,333,018)				(100,055)		(7,087,623)					X X X
0601.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.	Other Expense	3,737,198	376,245				28,241		3,332,712					X X X
1302	.....													X X X
1303	.....													X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page													X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)	3,737,198	376,245				28,241		3,332,712					X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
		Direct	Reinsurance	Reinsurance	Net Premium
Line of Business		Business	Assumed	Ceded	Income
					(Columns
					1 + 2 - 3)
1.	Comprehensive (hospital and medical)	20,363,031		62,821	20,300,210
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employee Health Benefits Plan	836,157		4,715	831,442
6.	Title XVIII - Medicare				
7.	Title XIX - Medicaid	118,801,163		188,238	118,612,925
8.	Stop loss				
9.	Disability income				
10.	Long-term care				
11.	Other health				
12.	Health subtotal (Lines 1 through 11)	140,000,351		255,774	139,744,577
13.	Life				
14.	Property/casualty				
15.	TOTALS (Lines 12 to 14)	140,000,351		255,774	139,744,577

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Payments during the year:													
1.1 Direct	117,979,768	17,783,339				1,270,990		98,925,439					
1.2 Reinsurance assumed													
1.3 Reinsurance ceded	262,830	123,418				10,183		129,229					
1.4 Net	117,716,938	17,659,921				1,260,807		98,796,210					
2. Paid medical incentive pools and bonuses	449,545	58,441				4,495		386,609					
3. Claim liability December 31, current year from Part 2A:													
3.1 Direct	11,024,378	359,282				31,418		10,633,678					
3.2 Reinsurance assumed													
3.3 Reinsurance ceded													
3.4 Net	11,024,378	359,282				31,418		10,633,678					
4. Claim reserve December 31, current year from Part 2D:													
4.1 Direct													
4.2 Reinsurance assumed													
4.3 Reinsurance ceded													
4.4 Net													
5. Accrued medical incentive pools and bonuses, current year	292,105	37,974				2,921		251,210					
6. Net healthcare receivables (a)													
7. Amounts recoverable from reinsurers December 31, current year													
8. Claim liability December 31, prior year from Part 2A:													
8.1 Direct	16,046,938	2,407,041				160,469		13,479,428					
8.2 Reinsurance assumed													
8.3 Reinsurance ceded													
8.4 Net	16,046,938	2,407,041				160,469		13,479,428					
9. Claim reserve December 31, prior year from Part 2D:													
9.1 Direct													
9.2 Reinsurance assumed													
9.3 Reinsurance ceded													
9.4 Net													
10. Accrued medical incentive pools and bonuses, prior year	332,932	49,940				3,329		279,663					
11. Amounts recoverable from reinsurers December 31, prior year	70,938							70,938					
12. Incurred benefits:													
12.1 Direct	112,957,208	15,735,580				1,141,939		96,079,689					
12.2 Reinsurance assumed													
12.3 Reinsurance ceded	191,892	123,418				10,183		58,291					
12.4 Net	112,765,316	15,612,162				1,131,756		96,021,398					
13. Incurred medical incentive pools and bonuses	408,718	46,475				4,087		358,156					

(a) Excludes \$. loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - Claims Liability End of Current Year

10

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Reported in Process of Adjustment:													
1.1 Direct	1,781,179	58,048				5,076		1,718,055					
1.2 Reinsurance assumed													
1.3 Reinsurance ceded													
1.4 Net	1,781,179	58,048				5,076		1,718,055					
2. Incurred but Unreported:													
2.1 Direct	8,095,786	263,840				23,072		7,808,874					
2.2 Reinsurance assumed													
2.3 Reinsurance ceded													
2.4 Net	8,095,786	263,840				23,072		7,808,874					
3. Amounts Withheld from Paid Claims and Capitations:													
3.1 Direct	1,147,413	37,394				3,270		1,106,749					
3.2 Reinsurance assumed													
3.3 Reinsurance ceded													
3.4 Net	1,147,413	37,394				3,270		1,106,749					
4. TOTALS													
4.1 Direct	11,024,378	359,282				31,418		10,633,678					
4.2 Reinsurance assumed													
4.3 Reinsurance ceded													
4.4 Net	11,024,378	359,282				31,418		10,633,678					

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical)	2,678,612	14,981,309	20,000	339,282	2,698,612	2,407,041
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan	201,780	1,059,027	6,418	25,000	208,198	160,469
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid	12,524,744	86,271,466	615,384	10,018,294	13,140,128	13,479,428
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	15,405,136	102,311,802	641,802	10,382,576	16,046,938	16,046,938
10.	Healthcare receivables (a)						
11.	Other non-health						
12.	Medical incentive pool and bonus amounts	449,545			292,105	449,545	332,932
13.	TOTALS (Lines 9 - 10 + 11 + 12)	15,854,681	102,311,802	641,802	10,674,681	16,496,483	16,379,870

(a) Excludes \$...... loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	81,984	81,856	82,026	81,971	81,998
2.	2001	80,069	93,583	93,985	94,007	94,009
3.	2002	X X X	67,744	83,638	83,913	83,914
4.	2003	X X X	X X X	71,648	89,895	90,073
5.	2004	X X X	X X X	X X X	94,084	109,280
6.	2005	X X X	X X X	X X X	X X X	102,311

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	82,091	81,817	81,944	81,969	81,996
2.	2001	95,814	94,868	94,671	94,694	94,696
3.	2002	X X X	87,023	86,290	83,914	83,915
4.	2003	X X X	X X X	91,905	93,471	90,074
5.	2004	X X X	X X X	X X X	106,889	109,921
6.	2005	X X X	X X X	X X X	X X X	113,364

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2001	104,190	94,696	301	0.318	94,997	91.177	24		95,021	91.200
2.	2002	102,765	83,915	266	0.317	84,181	81.916	40		84,221	81.955
3.	2003	114,857	90,074	311	0.345	90,385	78.694	64	1	90,450	78.750
4.	2004	133,880	109,921	327	0.297	110,248	82.348	514	4	110,766	82.735
5.	2005	139,744	102,311	362	0.354	102,673	73.472	10,675	168	113,516	81.231

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	13,123	13,073	13,091	13,087	13,092
2.	2001	12,817	13,898	13,938	13,941	13,941
3.	2002	X X X	4,732	6,321	6,362	6,362
4.	2003	X X X	X X X	5,131	7,868	7,899
5.	2004	X X X	X X X	X X X	10,434	13,076
6.	2005	X X X	X X X	X X X	X X X	14,981

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	13,141	13,070	13,083	13,087	13,092
2.	2001	15,337	14,061	14,054	14,057	14,057
3.	2002	X X X	6,275	6,587	6,363	6,363
4.	2003	X X X	X X X	7,057	8,405	7,899
5.	2004	X X X	X X X	X X X	12,354	13,096
6.	2005	X X X	X X X	X X X	X X X	15,736

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2001	11,572	14,057	22	0.157	14,079	121.664	4		14,083	121.699
2.	2002	7,627	6,363	19	0.299	6,382	83.676	5		6,387	83.742
3.	2003	11,360	7,899	29	0.367	7,928	69.789	8		7,936	69.859
4.	2004	21,322	13,096	49	0.374	13,145	61.650	67	1	13,213	61.969
5.	2005	20,300	14,981	47	0.314	15,028	74.030	1,388	22	16,438	80.975

12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . .	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . .	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only	NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)
Federal Employees Health Benefits Plan Premiums
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	779	778	780	779	779
2.	2001	760	895	899	899	899
3.	2002	X X X	563	722	725	725
4.	2003	X X X	X X X	564	746	748
5.	2004	X X X	X X X	X X X	1,430	1,629
6.	2005	X X X	X X X	X X X	X X X	1,059

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	780	778	779	779	779
2.	2001	910	908	906	907	907
3.	2002	X X X	756	749	725	725
4.	2003	X X X	X X X	767	783	749
5.	2004	X X X	X X X	X X X	1,558	1,635
6.	2005	X X X	X X X	X X X	X X X	1,087

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2001	675	907	3	0.331	910	134.815			910	134.815
2.	2002	1,012	725	3	0.414	728	71.937			728	71.937
3.	2003	1,250	749	3	0.401	752	60.160	1		753	60.240
4.	2004	1,866	1,635	3	0.183	1,638	87.781	5		1,643	88.049
5.	2005	831	1,059	4	0.378	1,063	127.918	107	2	1,172	141.035

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	N O N E				
2.	2001					
3.	2002					
4.	2003		X X			
5.	2004		X X	X X X		
6.	2005	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	N O N E				
2.	2001					
3.	2002					
4.	2003		X X			
5.	2004		X X	X X X		
6.	2005	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2001			N O N E							
2.	2002										
3.	2003										
4.	2004										
5.	2005										

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	68,082	68,005	68,155	68,105	68,127
2.	2001	66,492	78,790	79,148	79,167	79,169
3.	2002	X X X	62,449	76,595	76,826	76,827
4.	2003	X X X	X X X	65,953	81,281	81,426
5.	2004	X X X	X X X	X X X	82,220	94,575
6.	2005	X X X	X X X	X X X	X X X	86,271

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	68,170	67,969	68,082	68,103	68,125
2.	2001	79,567	79,899	79,711	79,730	79,732
3.	2002	X X X	79,992	78,954	76,826	76,827
4.	2003	X X X	X X X	84,081	84,283	81,426
5.	2004	X X X	X X X	X X X	92,977	95,190
6.	2005	X X X	X X X	X X X	X X X	96,541

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2001	91,943	79,732	276	0.346	80,008	87.019	20		80,028	87.041
2.	2002	94,126	76,827	244	0.318	77,071	81.881	35		77,106	81.918
3.	2003	102,247	81,426	279	0.343	81,705	79.909	55	1	81,761	79.964
4.	2004	110,692	95,190	275	0.289	95,465	86.244	442	3	95,910	86.646
5.	2005	118,613	86,271	311	0.360	86,582	72.995	9,180	144	95,906	80.856

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$..... for occupancy of own building)			149,914		149,914
2.	Salaries, wages and other benefits	401,676		7,305,392		7,707,068
3.	Commissions (less \$..... ceded plus \$..... assumed)			599,108		599,108
4.	Legal fees and expenses			1,429,316		1,429,316
5.	Certifications and accreditation fees			397,033		397,033
6.	Auditing, actuarial and other consulting services			635,252		635,252
7.	Traveling expenses			555,846		555,846
8.	Marketing and advertising			1,796,542		1,796,542
9.	Postage, express and telephone			1,111,690		1,111,690
10.	Printing and office supplies			397,032		397,032
11.	Occupancy, depreciation and amortization			1,429,316		1,429,316
12.	Equipment			238,219		238,219
13.	Cost or depreciation of EDP equipment and software					
14.	Outsourced services including EDP, claims, and other services			1,534,730		1,534,730
15.	Boards, bureaus and association fees			158,813		158,813
16.	Insurance, except on real estate			794,064		794,064
17.	Collection and bank service charges			158,813		158,813
18.	Group service and administration fees					
19.	Reimbursements by uninsured accident and health plans					
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses					
22.	Real estate taxes					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes					
23.2	State premium taxes					
23.3	Regulator authority licenses and fees					
23.4	Payroll taxes			317,626		317,626
23.5	Other (excluding federal income and real estate taxes)					
24.	Investment expenses not included elsewhere					
25.	Aggregate write-ins for expenses			952,877		952,877
26.	Total expenses incurred (Lines 1 to 25)	401,676		19,961,583		(a) 20,363,259
27.	Less expenses unpaid December 31, current year					
28.	Add expenses unpaid December 31, prior year					
29.	Amounts receivable relating to uninsured accident and health plans, prior year					
30.	Amounts receivable relating to uninsured accident and health plans, current year					
31.	Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) ..	401,676		19,961,583		20,363,259
DETAILS OF WRITE-INS						
2501.	Office Supplies			952,877		952,877
2502	.....				
2503	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page					
2599.	Totals (Lines 2501 through 2503 + 2598)(Line 25 above)			952,877		952,877

(a) Includes management fees of \$..... to affiliates and \$.....19,110,857 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a).....	
1.1	Bonds exempt from U.S. tax	(a).....	
1.2	Other bonds (unaffiliated)	(a)..... 32,529	27,389
1.3	Bonds of affiliates	(a).....	
2.1	Preferred stocks (unaffiliated)	(b).....	
2.11	Preferred stocks of affiliates	(b).....	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c).....	
4.	Real estate	(d).....	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e)..... 718,374	711,470
7.	Derivative instruments	(f).....	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	Total gross investment income	750,903	738,859
11.	Investment expenses		(g).....
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income		
16.	Total deductions (Lines 11 through 15)		
17.	Net Investment income (Line 10 minus Line 16)		738,859
DETAILS OF WRITE-INS			
0901	.....	
0902	.....	
0903	.....	
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)		
1501	.....	
1502	.....	
1503	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above)		
(a) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.			
(b) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued dividends on purchases.			
(c) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.			
(d) Includes \$..... for company's occupancy of its own buildings; and excludes \$..... interest on encumbrances.			
(e) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.			
(f) Includes \$..... accrual of discount less \$..... amortization of premium.			
(g) Includes \$..... investment expenses and \$..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$..... interest on surplus notes and \$..... interest on capital notes.			
(i) Includes \$..... depreciation on real estate and \$..... depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Total
1.	U.S. Government bonds				
1.1	Bonds exempt from U.S. tax				
1.2	Other bonds (unaffiliated)				
1.3	Bonds of affiliates				
2.1	Preferred stocks (unaffiliated)				
2.11	Preferred stocks of affiliates				
2.2	Common stocks (unaffiliated)				
2.21	Common stocks of affiliates				
3.	Mortgage loans				
4.	Real estate				
5.	Contract loans				
6.	Cash, cash equivalents and short-term investments				
7.	Derivative instruments				
8.	Other invested assets				
9.	Aggregate write-ins for capital gains (losses)				
10.	Total capital gains (losses)				
DETAILS OF WRITE-INS					
0901	.....			
0902	.....			
0903	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)				

NONE

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks	953,007	1,511,657	558,650
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens			
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties occupied for the production of income			
4.3	Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Other invested assets (Schedule BA)			
8.	Receivables for securities			
9.	Aggregate write-ins for invested assets			
10.	Subtotals, cash and invested assets (Lines 1 to 9)	953,007	1,511,657	558,650
11.	Title plants (for Title insurers only)			
12.	Invested income due and accrued			
13.	Premium and considerations:			
13.1	Uncollected premiums and agents' balances in the course of collection	417,953	820,996	403,043
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3	Accrued retrospective premiums			
14.	Reinsurance:			
14.1	Amounts recoverable from reinsurers			
14.2	Funds held by or deposited with reinsured companies			
14.3	Other amounts receivable under reinsurance contracts			
15.	Amounts receivable relating to uninsured plans			
16.1	Current federal and foreign income tax recoverable and interest thereon			
16.2	Net deferred tax asset			
17.	Guaranty funds receivable or on deposit			
18.	Electronic data processing equipment and software			
19.	Furniture and equipment, including health care delivery assets			
20.	Net adjustment in assets and liabilities due to foreign exchange rates			
21.	Receivable from parent, subsidiaries and affiliates			
22.	Health care and other amounts receivable		52,688	52,688
23.	Aggregate write-ins for other than invested assets	676,459	813,107	136,648
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	2,047,419	3,198,448	1,151,029
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26.	Total (Lines 24 and 25)	2,047,419	3,198,448	1,151,029
DETAILS OF WRITE-INS				
0901	.....		
0902	.....		
0903	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page			
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)			
2301.	Other Assets Nonadmitted	676,459	813,107	136,648
2302	.....		
2303	.....		
2398.	Summary of remaining write-ins for Line 23 from overflow page			
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	676,459	813,107	136,648

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	63,584	64,200	64,024	61,942	51,654	736,201
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	63,584	64,200	64,024	61,942	51,654	736,201
DETAILS OF WRITE-INS							
0601	.....					
0602	.....					
0603	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statement

Note 1 – Nature of Business and Significant Accounting Policies

Total Health Care, Inc. (the "Company"), a not-for-profit corporation, operates as a state-licensed health maintenance organization (HMO). Total Health Care, Inc. provides medical services to persons primarily in southeastern Michigan who subscribe as recipients of state or federal health benefits, as part of an employer group, or as individuals. Effective November 1, 2005 the Company no longer provides medical services to employer groups.

Total Health Care, Inc., Total Health Choice, Inc. and Total Health Care USA, Inc., wholly owned subsidiaries, have common officers on their respective governing boards.

Statutory Basis of Accounting – The financial statements have been prepared in accordance with the NAIC Accounting Practices and Procedures manual and the statutory accounting principles as prescribed by Section 1007 of the Michigan statutes. Statutory accounting principles differ from generally accepted accounting principles (GAAP) in their definition of assets and liabilities. Specifically, certain assets (such as intangible assets and receivables greater than 90 days) are excluded from the statutory-basis balance sheet. GAAP net assets exceed statutory net assets by approximately \$1,700,000 and \$2,900,000 at December 31, 2005 and 2004, respectively. There are no significant differences between statutory accounting principles prescribed by the NAIC and the State of Michigan accounting requirements that are applicable to the Company.

Cash Equivalents – The Company considers all highly liquid investments purchased with an original maturity of three months or less when purchased to be cash equivalents. Certificates of deposit in banks or other similar financial institutions with maturity dates of one year or less from the acquisition date are considered cash under statutory accounting principles.

Investments – Short-term investments and long-term certificates of deposit are recorded at amortized cost, which approximates fair market value. Long-term certificates of deposit are classified as bonds on the balance sheet per statutory guidance. Investments in health care subsidiaries are reported at the statutory net worth value of the subsidiary under the equity method. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in net investment income on the statement of revenue and expenses. Changes in unrealized gains and losses on investments are included as a direct adjustment to capital and surplus.

Note 1 – Nature of Business and Significant Accounting Policies (Continued)

Notes to Financial Statement

Revenue Recognition and Accounts Receivable – Capitation revenue and subscriber premiums are recognized in the period that members are entitled to related health care services. A substantial portion of accounts receivable is due from third-party payors for subscribers located within southeastern Michigan. An allowance for doubtful accounts of approximately \$550,000 has been recorded for receivables at December 31, 2005. No allowance for doubtful accounts was recorded in 2004. Receivables greater than 90 days old are treated as non-admitted for statutory accounting purposes. Approximately \$418,000 and \$821,000 of receivables greater than 90 days old were non-admitted in 2005 and 2004, respectively. During 2003, the Company began paying quality assurance assessment fees based on a percentage of revenue. Revenue for 2005 and 2004 is reported net of the fees, which totaled \$8,520,696 and \$7,333,521 respectively.

Recognition of Medical and Hospital Expenses –Medical and hospital expenses and the related liabilities are recorded when eligible medical and hospital services are authorized or performed. Unpaid claims represent management's estimate of the ultimate cost to settle all claims incurred prior to year end. Capitation retained for the settlement of risk-sharing is included in the accrued medical incentive pool liability at December 31, 2005 and 2004.

Physician Group Contracts – The Company contracts with physician groups for the provision of medical care and compensates the groups on a capitation basis. A portion of the capitation payments is retained for payment of specialty claims, pharmacy incentives, hospital incentives, and settlement of risk-sharing agreements with each of the physician groups. These retentions are included in the accrued medical incentive pool liability at December 31, 2005 and 2004. To the extent specialty claims exceed the amounts withheld, the specialty claims withhold pool liability is reduced by balances deemed collectible by management. During 2005, a health care receivable has been recorded from providers in an amount that specialty claims exceeded withheld capitation.

Hospital Group Contracts –The Company contracts with several hospital and other groups. These contracts are paid under capitated fees or various other charge arrangements.

Malpractice Claims – The Company has a claims-made policy for malpractice insurance. The Company's policy is to accrue for estimated costs of claims and incidents during the term of the claims-made policy.

Note 1 – Nature of Business and Significant Accounting Policies (Continued)

Notes to Financial Statement

Employee Staffing and Purchased Services Agreement –The Company has an employee staffing and purchased services agreement with a limited liability company which is responsible for payment of most of the management, operational, and administrative expenses. Ultimate operational control rests with the Board of Directors of Total Health Care, Inc.

Income Taxes – Total Health Care, Inc. has received federal income tax exemption under Internal Revenue Code Section 501(c)(4). The Company is also exempt from state and local income taxes.

Funds Maintained Under Statutory Requirements – The Company maintains segregated funds under statutory requirements to protect members and health care providers in the event the Company is unable to meet its contractual obligations. These funds can be used only at the direction of the insurance commissioner in accordance with statutory and contractual provisions. Interest earned on these funds can be utilized by the Company.

Use of Estimates – The preparation of financial statements in conformity with statutory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Certain significant estimates exists relating to unpaid claims. It is at least reasonably possible that these estimates will be materially revised in the near term.

Note 2 – Accounting Changes and Corrections of Errors

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Michigan. Effective January 1, 2003, the State of Michigan required that health maintenance organizations domiciled in the state of Michigan prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual in effect on January 1, 2003 subject to any deviations prescribed or permitted by the State of Michigan insurance commissioner. There was no impact on the statutory financial statements as a result of the accounting changes.

Note 3 – Business Combinations and Goodwill

This note is not applicable to the Company.

Note 4 – Discontinued Operations

This note is not applicable to the Company.

Notes to Financial Statement

Note 5 – Investments

The Company does not have investments relating to mortgage loans, debt restructuring, reverse mortgages, loan-backed securities, repurchase agreement or real estate.

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in joint ventures, partnerships, or limited liability companies.

Note 7 – Investment Income

The Company has no investment income due and accrued over 90 days past due.

Note 8 – Derivative Instruments

The Company does not invest in derivatives.

Note 9 – Income Taxes

This note is not applicable to the Company.

Note 10 – Information Concerning Parent, Subsidiaries, and Affiliates

The Company owns 100 percent of two subsidiaries: Total Health Care USA, Inc. and Total Health Choice, Inc. Total Health Care USA, Inc. has a statutory statement value of \$2,608,228 and \$221,402 at December 31, 2005 and 2004, respectively. Total Health Choice, Inc. has a statutory statement value of \$4,752,169 and \$4,182,202 at December 31, 2005 and 2004, respectively. The value of investments in Total Health Care USA, Inc. has been reduced by nonadmitted assets totaling \$102,897 at December 31, 2005. The value of investments in Total Health Choice, Inc. has been reduced by nonadmitted assets totaling \$850,110 and \$1,511,657 at December 31, 2005 and 2004, respectively.

Note 11 – Debt

This note is not applicable to the Company.

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences, and Other Postretirement Benefit Plans

This note is not applicable to the Company.

Note 13 – Capital and Surplus, Stockholders' Divided Restrictions, and Quasi-Reorganizations

The portion of unassigned funds (surplus) represented or reduced by unrealized gains and the change in nonadmitted asset value is \$2,049,173 and \$(2,095,528) at December 31, 2005 and 2004, respectively.

Note 14 – Contingencies

Various lawsuits against the Company have arisen in the course of the

Notes to Financial Statement

Company's business. Contingent liabilities arising from litigation and other matters are not considered material in relation to the financial position of the Company. No amounts have been accrued for losses as no losses are deemed probable or estimable. Estimated losses for claims-related matters are accrued as claims unpaid.

Note 15 – Leases

The Company leases office space and computer software services under various noncancelable operating lease agreements that expire through December 2009. Rent payments are the responsibility of the management company and are included in the monthly payment under the employee staffing and purchased services agreement. Rent expense for 2005 and 2004 was approximately \$494,000 and \$541,000, respectively. The future minimum rental payments under the operating lease as of December 31, 2005 are as follows:

2006	\$ 340,000
2007	200,000
2008	200,000
2009	<u>200,000</u>
	\$940,000

Note 16 – Information about Financial Instruments with Off-balance-sheet Risk and Financial Instruments with Concentrations of Credit Risk

This note is not applicable to the Company.

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

This note is not applicable to the Company.

Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

This note is not applicable to the Company.

Note 19 – Direct Premium Written/Produced by Managing General Agents/Third-party Administrators

This note is not applicable to the Company.

Note 20 – September 11 Events

This note is not applicable to the Company.

Note 21 – Other Items

At December 31, 2005 and 2004, the Company had admitted assets of \$3,147,315 and \$5,894,616, respectively, in accounts receivable for amounts due from subscribers, governmental entities, and other health care providers. During 2005, the allowance for doubtful accounts was adjusted accordingly for uncollectible receivables. In 2004, the Company

Notes to Financial Statement

routinely assessed the collectibility of these receivables and directly wrote off any uncollectible receivables accordingly.

The Company did not have activity relating to extraordinary items, troubled debt restructuring, multiple peril crop insurance, or mezzanine real estate loans during 2005 and 2004.

Note 22 – Events Subsequent

No unusual or material events have occurred subsequent to year end.

Note 23 – Reinsurance

Total Health Care, Inc. maintains a reinsurance policy to provide coverage on an annual per member basis after a \$220,000 deductible is reached. The maximum lifetime reinsurance indemnity payable under each agreement is \$2,000,000 per member. The Company has reported premiums net of reinsurance ceded of \$255,774 and \$235,017 as of December 31, 2005 and 2004, respectively. Losses recovered by the Company totaled \$262,830 and \$505,557 during 2005 and 2004, respectively. There is no resinsurance recoverable recorded at December 31, 2005. The Company recorded a reinsurance recoverable of \$70,938 at December 31, 2004.

The Company does not have reinsurance assumed, uncollectible reinsurance, or retroactive reinsurance.

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

This note is not applicable to the Company.

Note 25 – Change in Incurred Claims and Claim Adjustment Expenses

The estimated reserve for claims payable, including known and unsettled claims, is determined by the Company. The method of making such estimates and for establishing the resulting reserves is continually reviewed and updated and any adjustments resulting therefrom are reflected in expense currently. The estimated reserve for claims incurred but not reported has been determined by an enrolled actuary.

Although management believes that the provision for unpaid claims is adequate, no assurance can be given that the ultimate settlement of these liabilities may not be greater or less than such estimates. Any

Note 25 – Change in Incurred Claims and Claim Adjustment Expenses (Cont.)

future adjustments to these amounts will affect the reported results of future periods.

Activity in the liability for medical claims, accrued medical incentive pools, and unpaid claims adjustment expense is summarized as follows:

Type	2005	2004
Balance – Beginning of year	\$16,630,745	\$ 23,232,396

Notes to Financial Statement

Incurred (Recovered) Related to

Current year	112,957,208	106,889,414
Prior years	<u>67,683</u>	<u>(835,607)</u>
Total incurred	113,024,891	106,053,807

Paid Related to

Current year	(102,311,802)	(94,083,849)
Prior years	<u>(15,854,681)</u>	<u>(18,571,609)</u>
Total paid	<u>(118,166,483)</u>	<u>(112,655,458)</u>

Reserve for Claims – End of year \$ 11,489,153 \$ 16,630,745

The 2005 and 2004 amounts incurred relating to prior years increased (decreased) due to claims settling for more or less than originally estimated.

Note 26 – Intercompany Pooling Arrangements

This note is not applicable to the Company.

Note 27 – Structured Settlements

This note is not applicable to the Company.

Note 28 – Health Care Receivables

The Company reports risk-sharing receivables and payables related to global capitation and specialty withholding arrangements based upon the terms of its contracts.

The Company recorded \$11,646 and \$69,592 of pharmaceutical rebate receivables at December 31, 2005 and 2004, respectively. All amounts recorded as receivable at December 31, 2005 have been received subsequent to year end. Rebates are netted with pharmacy expense. During 2005 and 2004, pharmacy rebates in the amount of \$134,734 and \$201,584, respectively, were collected.

Note 28 – Health Care Receivables (Cont.)

Health care receivables include the following amounts related to specialty pool receivables:

<u>Risk</u>									
		<u>Risk</u>	<u>Sharing</u>			<u>Actual</u>	<u>Actual Risk</u>	<u>Actual Risk</u>	
		<u>Sharing</u>	<u>Receivable</u>			<u>Risk</u>	<u>Sharing</u>	<u>Sharing</u>	<u>Actual</u>
		<u>Receivable</u>	<u>as</u>			<u>Sharing</u>	<u>Amounts</u>	<u>Amounts</u>	<u>Risk</u>
<u>Evaluation</u>	<u>as</u>	<u>Estimated</u>	<u>Risk</u>	<u>Sharing</u>	<u>Risk</u>	<u>Sharing</u>	<u>Amounts</u>	<u>Amounts</u>	<u>Risk</u>
<u>Period</u>	<u>Estimated</u>	<u>in the</u>	<u>Sharing</u>	<u>Receivable</u>	<u>Sharing</u>	<u>Received</u>	<u>Received</u>	<u>Received</u>	<u>Sharing</u>
<u>Calendar</u>	<u>Year</u>	<u>in the Prior</u>	<u>Current</u>	<u>Receivable</u>	<u>Not Yet</u>	<u>in Year</u>	<u>Sub-</u>	<u>Sub-</u>	<u>Received -</u>
<u>Year</u>	<u>Ending</u>	<u>Year</u>	<u>Year</u>	<u>Billed</u>	<u>Billed</u>	<u>Billed</u>	<u>sequent</u>	<u>sequent</u>	<u>All Other</u>
2005	2005	\$	\$702,667	\$ -	\$702,667	\$ -	\$ -	\$ -	\$ -
	2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes to Financial Statement

2004	2004	\$1,259,862	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2005	\$ -	\$ -	\$995,729	\$ -	\$995,729	\$ -	\$ -	\$ -
2003	2003	\$ 441,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2004	\$ -	\$ -	\$441,944	\$ -	\$441,944	\$ -	\$ -	\$ -

Note 29 – Participating Policies

This note is not applicable to the Company.

Note 30 – Premium Deficiency Reserves

This note is not applicable to the Company.

Note 31 – Anticipated Salvage and Subrogation

Loss reserves have not been reduced for any salvage or subrogation. During 2005 and 2004, the Company received subrogation totaling \$45,137 and \$16,060, respectively.

SUMMARY INVESTMENT SCHEDULE

Investment Categories		Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
		1 Amount	2 Percentage	3 Amount	4 Percentage
1.	Bonds:				
1.1	U.S. treasury securities	1,000,000	3.859	1,000,000	4.006
1.2	U.S. government agency obligations (excluding mortgage-backed securities):				
1.21	Issued by U.S. government agencies				
1.22	Issued by U.S. government sponsored agencies				
1.3	Foreign government (including Canada, excluding mortgage-backed securities)				
1.4	Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41	States, territories and possessions general obligations				
1.42	Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43	Revenue and assessment obligations				
1.44	Industrial development and similar obligations				
1.5	Mortgage-backed securities (includes residential and commercial MBS):				
1.51	Pass-through securities:				
1.511	Issued or Guaranteed by GNMA				
1.512	Issued or Guaranteed by FNMA and FHLMC				
1.513	All other				
1.52	CMOs and REMICs:				
1.521	Issued or guaranteed by GNMA, FNMA, FHLMC or VA				
1.522	Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523	All other				
2.	Other debt and other fixed income securities (excluding short term):				
2.1	Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2	Unaffiliated foreign securities				
2.3	Affiliated securities				
3.	Equity interests:				
3.1	Investments in mutual funds				
3.2	Preferred stocks:				
3.21	Affiliated				
3.22	Unaffiliated				
3.3	Publicly traded equity securities (excluding preferred stocks):				
3.31	Affiliated				
3.32	Unaffiliated				
3.4	Other equity securities:				
3.41	Affiliated	8,313,405	32.078	7,360,398	29.485
3.42	Unaffiliated				
3.5	Other equity interests including tangible personal property under lease:				
3.51	Affiliated				
3.52	Unaffiliated				
4.	Mortgage loans:				
4.1	Construction and land development				
4.2	Agricultural				
4.3	Single family residential properties				
4.4	Multifamily residential properties				
4.5	Commercial loans				
4.6	Mezzanine real estate loans				
5.	Real estate investments:				
5.1	Property occupied by company				
5.2	Property held for production of income (including \$..... of property acquired in satisfaction of debt)				
5.3	Property held for sale (including \$..... property acquired in satisfaction of debt)				
6.	Contract loans				
7.	Receivables for securities				
8.	Cash, cash equivalents and short-term investments	16,602,737	64.063	16,602,737	66.509
9.	Other invested assets				
10.	Total invested assets	25,916,142	100.000	24,963,135	100.000

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
Michigan
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2002
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2002
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

03/17/2004
- 3.4 By what department or departments?
MICHIGAN OFFICE OF FINANCIAL AND INSURANCE SERVICES
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement)

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity
N/A	

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
N/A		.. Yes[] No[X] ..	.. Yes[] No[X] ..	.. Yes[] No[X] ..	.. Yes[] No[X] ..	.. Yes[] No[X] ..

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PLANTE & MORAN, PLLC 2601 CAMBRIDGE COURT, SUITE 500, AUBURN HILLS, MI 48326
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
STEVEN P. ZOLDOS, WAKELY CONSULTING GROUP, 19321 US HIGHWAY 19 N, SUITE 515, CLEARWATER, FL 33764
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[] No[X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved
- 11.13 Total book/adjusted carrying value

\$
- 11.2 If yes, provide explanation

12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[] No[X] N/A[]
- 12.3 Have there been any changes made to any of the trust indentures during the year?

Yes[] No[] N/A[X]
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes[] No[] N/A[X]

GENERAL INTERROGATORIES (Continued)
BOARD OF DIRECTORS

13. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[]
14. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[]
15. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[]

FINANCIAL

- 16.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

16.11 To directors or other officers

16.12 To stockholders not officers

16.13 Trustees, supreme or grand (Fraternal only)

\$
\$
\$
- 16.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

16.21 To directors or other officers

16.22 To stockholders not officers

16.23 Trustees, supreme or grand (Fraternal only)

\$
\$
\$
- 17.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[] No[X]
- 17.2 If yes, state the amount thereof at December 31 of the current year:

17.21 Rented from others

17.22 Borrowed from others

17.23 Leased from others

17.24 Other

\$
\$
\$
\$
- 18.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[] No[X]
- 18.2 If answer is yes:

18.21 Amount paid as losses or risk adjustment

18.22 Amount paid as expenses

18.23 Other amounts paid

\$
\$
\$
- 19.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[] No[X]
- 19.2 If yes, indicate any amounts receivable from parent included in the page 2 amount:

\$

INVESTMENT

- 20.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits?

Yes[X] No[]
- 20.2 If no, give full and complete information, relating thereto:
- 21.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 17.1).

Yes[] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Loaned to others

21.22 Subject to repurchase agreements

21.23 Subject to reverse repurchase agreements

21.24 Subject to dollar repurchase agreements

21.25 Subject to reverse dollar repurchase agreements

21.26 Pledged as collateral

21.27 Placed under option agreements

21.28 Letter stock or securities restricted as to sale

21.29 Other

\$
\$
\$
\$
\$
\$
\$
\$
\$
- 21.3 For category (21.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
- 22.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[] No[X]
- 22.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes[] No[] N/A[X]
- 23.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[] No[X]
- 23.2 If yes, state the amount thereof at December 31 of the current year.

\$
24. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[]
- 24.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
BANK ONE - MICHAEL M. BARRY	611 WOODWARD AVE., DETROIT, MI 48226
COMERICA BANK - PETER KENNEDY	P.O. BOX 75000, DETROIT, MI 48275-3462

- 24.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
N/A
- 24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year?

Yes[] No[X]
- 24.04 If yes, give full and complete information relating thereto:

GENERAL INTERROGATORIES (Continued)

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

24.05 Identify all investment advisers, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A

25.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])? Yes[] No[X]

25.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....	N/A .....	.....
25.2999 Total .....	.....	.....

25.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
N/A

26. Provide the following information for all short term and long term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
26.1 Bonds
26.2 Preferred stocks
26.3 Totals

26.4 Describe the sources of methods utilized in determining the fair values

27.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[] No[X]

27.2 If no, list exceptions:
N/A

OTHER

28.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$

28.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....

29.1 Amount of payments for legal expenses, if any? \$ 1,429,316

29.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
NUYEN, TOMTISHEN AND AOUN, P.C. ....	..... 505,296

30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$

30.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

GENERAL INTERROGATORIES (Continued)

1	2
Name	Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[] No[X]
- 1.2 If yes, indicate premium earned on U.S. business only:

\$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$
- 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$
- 1.6 Individual policies - Most current three years:
- 1.61 Total premium earned

\$
- 1.62 Total incurred claims

\$
- 1.63 Number of covered lives

\$
- All years prior to most current three years:
- 1.64 Total premium earned

\$
- 1.65 Total incurred claims

\$
- 1.66 Number of covered lives

\$
- 1.7 Group policies - Most current three years:
- 1.71 Total premium earned

\$
- 1.72 Total incurred claims

\$
- 1.73 Number of covered lives

\$
- All years prior to most current three years:
- 1.74 Total premium earned

\$
- 1.75 Total incurred claims

\$
- 1.76 Number of covered lives

\$

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator	139,744,577	133,878,917
2.2	Premium Denominator	139,744,577	133,878,917
2.3	Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4	Reserve Numerator	11,316,483	16,379,870
2.5	Reserve Denominator	11,316,483	16,379,870
2.6	Reserve Ratio (2.4 / 2.5)	1.000	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency?

Yes[X] No[]
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[] No[X]
- 5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[]
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical

\$ 326,000
- 5.32 Medical Only

\$
- 5.33 Medicare Supplement

\$
- 5.34 Dental

\$
- 5.35 Other Limited Benefit Plan

\$
- 5.36 Other

\$
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
CATASTROPHIC INSURANCE, LOOK SOLEY LANGUAGE IN CONTRACTS, INSOLVENCY INSURANCE
- 7.1 Does the reporting entity set up its claim liability for provider services on a service data base?

Yes[X] No[]
- 7.2 If no, give details:
8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year

..... 546
- 8.2 Number of providers at end of reporting year

..... 606
- 9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[] No[X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months

..... 0
- 9.22 Business with rate guarantees over 36 months

..... 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[X] No[]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses

\$ 292,105
- 10.22 Amount actually paid for year bonuses

\$ 449,545
- 10.23 Maximum amount payable withholds

\$ 1,147,413
- 10.24 Amount actually paid for year withholds

\$ 1,007,825
- 11.1 Is the reporting entity organized as:
- 11.12 A medical Group/Staff Model,

Yes[] No[X]
- 11.13 An Individual Practice Association (IPA), or,

Yes[] No[X]
- 11.14 A Mixed Model (combination of above)?

Yes[] No[X]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes[X] No[]
- 11.3 If yes, show the name of the state requiring such net worth.
MICHIGAN
- 11.4 If yes, show the amount required.

\$ 14,002,064
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[] No[X]
- 11.6 If the amount is calculated, show the calculation.
Calculation is based on 200% RBC. See RBC calculation.

12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
WAYNE COUNTY
OAKLAND COUNTY
MACOMB COUNTY
GENESEE COUNTY

FIVE-YEAR HISTORICAL DATA

	1 2005	2 2004	3 2003	4 2002	5 2001
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	28,168,718	30,832,079	39,060,603	29,236,699	22,516,680
2. Total liabilities (Page 3, Line 22)	14,003,202	17,293,338	25,460,186	21,377,820	17,969,412
3. Statutory surplus	14,002,064	9,865,664	8,814,136	9,272,932	8,820,482
4. Total capital and surplus (Page 3, Line 31)	14,165,516	13,538,741	13,600,417	7,858,879	4,547,268
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 8)	131,223,881	126,545,395	110,350,801	102,765,342	104,189,727
6. Total medical and hospital expenses (Line 18)	113,103,096	106,445,068	91,145,022	86,075,176	92,087,978
7. Claims adjustment expenses (Line 20)	401,676	364,346	318,230	291,856	335,976
8. Total administrative expenses (Line 21)	19,961,583	17,775,959	15,861,139	14,300,927	16,462,800
9. Net underwriting gain (loss) (Line 24)	(2,242,474)	1,960,022	3,026,410	2,097,383	(4,697,027)
10. Net investment gain (loss) (Line 27)	738,859	364,019	273,137	326,652	708,581
11. Total other income (Lines 28 plus 29)	81,217	116,073	9,776	1,504	551
12. Net income or (loss) (Line 32)	(1,422,398)	2,440,114	3,309,323	2,425,539	(3,987,895)
RISK-BASED CAPITAL ANALYSIS					
13. Total adjusted capital	14,165,516	13,538,741	13,600,417	7,858,879	4,547,268
14. Authorized control level risk-based capital	7,001,032	4,932,832	4,407,068	4,636,466	4,410,241
ENROLLMENT (Exhibit 1)					
15. Total members at end of period (Column 5, Line 7)	51,654	63,584	55,867	53,327	54,639
16. Total members months (Column 6, Line 7)	736,201	722,027	654,777	623,466	651,940
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5)x 100.0					
17. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
18. Total hospital and medical plus other non-health (Lines 18 plus Line 19) ..	81	80	79	84	88
19. Cost containment expenses	0	0	X X X	X X X	X X X
20. Other claims adjustment expenses					
21. Total underwriting deductions (Line 23)	96	93	93	98	105
22. Total underwriting gain (loss) (Line 24)	(2)	1	3	2	(5)
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
23. Total claims incurred for prior years (Line 13, Column 5)	16,496,483	22,461,053	19,596,117	14,919,884	11,693,017
24. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	16,379,870	22,905,399	20,355,603	16,345,261	14,902,353
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
25. Affiliated bonds (Sch. D Summary, Line 25, Column 1)					
26. Affiliated preferred stocks (Sch. D Summary, Line 39, Column 1)					
27. Affiliated common stocks (Sch. D Summary, Line 53, Column 2)	8,313,405	5,915,261	7,149,062	5,756,600	5,939,414
28. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Column 5, Line 11)					
29. Affiliated mortgage loans on real estate					
30. All other affiliated					
31. Total of above Lines 25 to 30	8,313,405	5,915,261	7,149,062	5,756,600	5,939,414

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description			1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1.	United States				
	2.	Canada				
	3.	Other Countries				
	4.	Totals				
States, Territories and Possessions (Direct and Guaranteed)	5.	United States				
	6.	Canada				
	7.	Other Countries				
	8.	Totals				
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)	9.	United States				
	10.	Canada				
	11.	Other Countries				
	12.	Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13.	United States				
	14.	Canada				
	15.	Other Countries				
	16.	Totals				
Public Utilities (unaffiliated)	17.	United States				
	18.	Canada				
	19.	Other Countries				
	20.	Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21.	United States	1,000,000	1,000,000	1,000,000	1,000,000
	22.	Canada				
	23.	Other Countries				
	24.	Totals	1,000,000	1,000,000	1,000,000	1,000,000
Parent, Subsidiaries and Affiliates	25.	Totals				
	26.	Total Bonds	1,000,000	1,000,000	1,000,000	1,000,000
PREFERRED STOCKS Public Utilities (unaffiliated)	27.	United States				
	28.	Canada				
	29.	Other Countries				
	30.	Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31.	United States				
	32.	Canada				
	33.	Other Countries				
	34.	Totals				
Industrial and Miscellaneous (unaffiliated)	35.	United States				
	36.	Canada				
	37.	Other Countries				
	38.	Totals				
Parent, Subsidiaries and Affiliates	39.	Totals				
	40.	Total Preferred Stocks				
COMMON STOCKS Public Utilities (unaffiliated)	41.	United States				
	42.	Canada				
	43.	Other Countries				
	44.	Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45.	United States				
	46.	Canada				
	47.	Other Countries				
	48.	Totals				
Industrial and Miscellaneous (unaffiliated)	49.	United States				
	50.	Canada				
	51.	Other Countries				
	52.	Totals				
Parent, Subsidiaries and Affiliates	53.	Totals	8,313,405	8,313,405	8,313,405	
	54.	Total Common Stocks	8,313,405	8,313,405	8,313,405	
	55.	Total Stocks	8,313,405	8,313,405	8,313,405	
	56.	Total Bonds and Stocks	9,313,405	9,313,405	9,313,405	

SCHEDULE D - Verification Between Years

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year ..	<u>6,915,261</u>	7. Amortization of premium	
2. Cost of bonds and stocks acquired, Column 7, Part 3	<u>8,600,000</u>	8. Foreign Exchange Adjustment:	
3. Accrual of discount		8.1 Column 15, Part 1	
4. Increase (decrease) by adjustment:		8.2 Column 19, Part 2, Section 1	
4.1 Columns 12 - 14, Part 1		8.3 Column 16, Part 2, Section 2	
4.2 Column 15 - 17, Part 2, Section 1		8.4 Column 15, Part 4	
4.3 Column 15, Part 2, Section 2	<u>898,144</u>	9. Book/adjusted carrying value at end of current period	<u>9,313,405</u>
4.4 Column 11 - 13, Part 4	<u>898,144</u>	10. Total valuation allowance	
5. Total gain (loss), Column 19, Part 4		11. Subtotal (Lines 9 plus 10)	<u>9,313,405</u>
6. Deduct consideration for bonds and stocks disposed of		12. Total nonadmitted assets	<u>953,007</u>
Column 7, Part 4	<u>7,100,000</u>	13. Statement value of bonds and stocks, current period	<u>8,360,398</u>

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
Allocated by States and Territories

		1	2	Direct Business Only					
		Guaranty Fund (Yes or No)	Is Insurer Licensed (Yes or No)	3	4	5	6	7	8
State, Etc.				Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Deposit-Type Contract Funds	Property/ Casualty Premiums
1.	Alabama (AL)	No ..	No ..						
2.	Alaska (AK)	No ..	No ..						
3.	Arizona (AZ)	No ..	No ..						
4.	Arkansas (AR)	No ..	No ..						
5.	California (CA)	No ..	No ..						
6.	Colorado (CO)	No ..	No ..						
7.	Connecticut (CT)	No ..	No ..						
8.	Delaware (DE)	No ..	No ..						
9.	District of Columbia (DC)	No ..	No ..						
10.	Florida (FL)	No ..	No ..						
11.	Georgia (GA)	No ..	No ..						
12.	Hawaii (HI)	No ..	No ..						
13.	Idaho (ID)	No ..	No ..						
14.	Illinois (IL)	No ..	No ..						
15.	Indiana (IN)	No ..	No ..						
16.	Iowa (IA)	No ..	No ..						
17.	Kansas (KS)	No ..	No ..						
18.	Kentucky (KY)	No ..	No ..						
19.	Louisiana (LA)	No ..	No ..						
20.	Maine (ME)	No ..	No ..						
21.	Maryland (MD)	No ..	No ..						
22.	Massachusetts (MA)	No ..	No ..						
23.	Michigan (MI)	No ..	Yes ..	20,363,031		118,801,163	836,157		
24.	Minnesota (MN)	No ..	No ..						
25.	Mississippi (MS)	No ..	No ..						
26.	Missouri (MO)	No ..	No ..						
27.	Montana (MT)	No ..	No ..						
28.	Nebraska (NE)	No ..	No ..						
29.	Nevada (NV)	No ..	No ..						
30.	New Hampshire (NH)	No ..	No ..						
31.	New Jersey (NJ)	No ..	No ..						
32.	New Mexico (NM)	No ..	No ..						
33.	New York (NY)	No ..	No ..						
34.	North Carolina (NC)	No ..	No ..						
35.	North Dakota (ND)	No ..	No ..						
36.	Ohio (OH)	No ..	No ..						
37.	Oklahoma (OK)	No ..	No ..						
38.	Oregon (OR)	No ..	No ..						
39.	Pennsylvania (PA)	No ..	No ..						
40.	Rhode Island (RI)	No ..	No ..						
41.	South Carolina (SC)	No ..	No ..						
42.	South Dakota (SD)	No ..	No ..						
43.	Tennessee (TN)	No ..	No ..						
44.	Texas (TX)	No ..	No ..						
45.	Utah (UT)	No ..	No ..						
46.	Vermont (VT)	No ..	No ..						
47.	Virginia (VA)	No ..	No ..						
48.	Washington (WA)	No ..	No ..						
49.	West Virginia (WV)	No ..	No ..						
50.	Wisconsin (WI)	No ..	No ..						
51.	Wyoming (WY)	No ..	No ..						
52.	American Samoa (AS)	No ..	No ..						
53.	Guam (GU)	No ..	No ..						
54.	Puerto Rico (PR)	No ..	No ..						
55.	U.S. Virgin Islands (VI)	No ..	No ..						
56.	Canada (CN)	No ..	No ..						
57.	Aggregate other alien (OT)	X X X ..	X X X ..						
58.	Subtotal	X X X ..	X X X ..	20,363,031		118,801,163	836,157		
59.	Reporting entity contributions for Employee Benefit Plans	X X X ..	X X X ..						
60.	TOTAL (Direct Business)	X X X ..	(a)..... 1	20,363,031		118,801,163	836,157		
DETAILS OF WRITE-INS									
5701	.....	X X X ..	X X X ..						
5702	.....	X X X ..	X X X ..						
5703	.....	X X X ..	X X X ..						
5798.	Summary of remaining write-ins for Line 57 from overflow page	X X X ..	X X X ..						
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above)	X X X ..	X X X ..						

(a) Insert the number of yes responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.:

SCHEDULE T - PART 2
INTERSTATE COMPACT PRODUCTS - EXHIBIT OF PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES

		Direct Business only					
		1	2	3	4	5	6
		Life (Group and Individual)	Annuities (Group and Individual)	Disability Income (Group and Individual)	Long-Term Care (Group and Individual)	Deposit-Type Contracts	Totals
States, Etc.							
1.	Alabama (AL)						
2.	Alaska (AK)						
3.	Arizona (AZ)						
4.	Arkansas (AR)						
5.	California (CA)						
6.	Colorado (CO)						
7.	Connecticut (CT)						
8.	Delaware (DE)						
9.	District of Columbia (DC)						
10.	Florida (FL)						
11.	Georgia (GA)						
12.	Hawaii (HI)						
13.	Idaho (ID)						
14.	Illinois (IL)						
15.	Indiana (IN)						
16.	Iowa (IA)						
17.	Kansas (KS)						
18.	Kentucky (KY)						
19.	Louisiana (LA)						
20.	Maine (ME)						
21.	Maryland (MD)						
22.	Massachusetts (MA)						
23.	Michigan (MI)						
24.	Minnesota (MN)						
25.	Mississippi (MS)						
26.	Missouri (MO)						
27.	Montana (MT)						
28.	Nebraska (NE)						
29.	Nevada (NV)						
30.	New Hampshire (NH)						
31.	New Jersey (NJ)						
32.	New Mexico (NM)						
33.	New York (NY)						
34.	North Carolina (NC)						
35.	North Dakota (ND)						
36.	Ohio (OH)						
37.	Oklahoma (OK)						
38.	Oregon (OR)						
39.	Pennsylvania (PA)						
40.	Rhode Island (RI)						
41.	South Carolina (SC)						
42.	South Dakota (SD)						
43.	Tennessee (TN)						
44.	Texas (TX)						
45.	Utah (UT)						
46.	Vermont (VT)						
47.	Virginia (VA)						
48.	Washington (WA)						
49.	West Virginia (WV)						
50.	Wisconsin (WI)						
51.	Wyoming (WY)						
52.	American Samoa (AS)						
53.	Guam (GU)						
54.	Puerto Rico (PR)						
55.	U.S. Virgin Islands (VI)						
56.	Canada (CN)						
57.	Aggregate other alien (OT)						
58.	TOTALS						

NONE

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

TOTAL HEALTH CARE, INC. - PARENT
38-2018957, NAIC #95644, STATE OF MICHIGAN

TOTAL HEALTH CARE USA, INC. - WHOLLY OWNED SUBSIDIARY OF TOTAL HEALTH CARE, INC.
38-3240485, NAIC #12326, STATE OF MICHIGAN

TOTAL HEALTH CHOICE, INC. - WHOLLY OWNED SUBSIDIARY OF TOTAL HEALTH CARE, INC.
33-0603319, NAIC #95134, STATE OF FLORIDA